



DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

May 19, 2015

COUNTY OF LOS ANGELES

FIRE DEPARTMENT


1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

50 OF MAY 19, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

Dear Supervisors:

**DELEGATE AUTHORITY TO THE FIRE CHIEF OF THE CONSOLIDATED FIRE PROTECTION
DISTRICT OF LOS ANGELES COUNTY TO EXECUTE THE LIFEGUARD VEHICLE
SPONSORSHIP AGREEMENT WITH TOYOTA MOTOR SALES, U.S.A., INC.
(3RD AND 4TH DISTRICTS)
(3 VOTES)**

SUBJECT

This action is to delegate authority to the Fire Chief of the Consolidated Fire Protection District of Los Angeles County (District) to enter into a new Lifeguard Vehicle Sponsorship Agreement (Agreement), attached herein as Attachment A, with Toyota Motor Sales, U.S.A., Inc. (Toyota), which will allow for the District's Lifeguard Division use of at least sixty-five (65) new Toyota vehicles for beach patrol and emergency response. The Agreement will consist of a two-year term with two one-year extension options. The two-year Agreement includes forty-five (45) Toyota Tacoma model trucks, eighteen (18) Toyota Tundra model trucks, two (2) Sequoia model Sport Utility Vehicles, and at least \$200,000 in safety equipment to outfit the vehicles. The Agreement has a current wholesale value of approximately \$2,800,000 including the safety equipment. In exchange, Toyota will receive the exclusive right to advertise itself as the "Official Truck/Vehicle" and the "Official Vehicle Sponsor" of the Los Angeles County Lifeguards, the Los Angeles County Ocean Lifeguards, and the Los Angeles County Beach Lifeguards.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:**

1. Delegate authority to the Fire Chief, or his designee, to execute the Agreement with Toyota, pursuant to which the District will have use of at least sixty-five (65) Toyota vehicles, in substantially the same form, and upon agreement by County Counsel, as the draft Agreement attached hereto.

2. Delegate authority to the Fire Chief, or his designee, with concurrence of County Counsel, to approve and execute amendments and supplements that are associated with the administration and management of the Agreement.
3. Find that this Agreement is exempt from the provisions of the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will provide the District's Lifeguard Division with sixty-five (65) new Toyota vehicles for use as Lifeguard beach patrol and emergency response vehicles and at least \$200,000 in safety equipment to outfit the vehicles. The Agreement will support the District's mission to provide public safety to 72 miles of coastline in the County of Los Angeles.

In exchange for the vehicles and equipment, Toyota will receive the following: (1) the exclusive right to advertise itself as the "Official Vehicle Sponsor of the Los Angeles County Lifeguards"; (2) name identification on all of the vehicles identified in the Agreement, which precludes competing vehicle manufacturers from having name identification on County-owned and operated beaches; and (3) Toyota will be prominently featured on the District's Lifeguard Division website.

The Agreement will not result in a direct or reasonable foreseeable impact on the environment in accordance with Section 15061(b)(3) of the State of California Environmental Quality Act (CEQA) guidelines; therefore, this Agreement is exempt from CEQA.

Approval of the recommended actions will allow the District to move forward with the final negotiation and execution of the attached two-year Agreement.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we strive to achieve Operational Effectiveness/Fiscal Sustainability (Goal 1), by maximizing the effectiveness of the process, structure, and operations to support timely delivery of customer-oriented and efficient public services, and by strengthening and enhancing the County's capacity to sustain essential County services through proactive and prudent fiscal policies and stewardship. Furthermore, the Strategic Plan directs the District's Lifeguards to provide Integrated Services Delivery (Goal 3), by maximizing opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

FISCAL IMPACT/FINANCING

This Agreement provides the District with a projected estimated \$2,800,000 cost savings over the duration of the Agreement.

This Agreement will provide the District with at least sixty-five (65) vehicles with an estimated wholesale value of \$2,600,000, and \$200,000 in safety equipment for outfitting the vehicles, for a total estimated value of \$2,800,000.

This amount will be fully funded by Toyota resulting in a zero cost to the District for the use of the new vehicles.

Toyota will provide all warranty repairs through Toyota Dealership(s), but the District will be responsible for all other maintenance and service operating expenses, such as gas, oil, and tire repair. The District shall pay for the cost of regularly scheduled service for the vehicles. The District's Fiscal Year 2014-15 Final Adopted Budget includes sufficient funding for these services. Funding required for continuing this service will be budgeted annually. The District will also insure all vehicles through its self-insurance program.

There is no impact on net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In exchange for providing the vehicles, Toyota will receive the following: (1) the exclusive right to advertise itself as the "Official Truck/Vehicle" and the "Official Vehicle Sponsor" of the Los Angeles County Lifeguards, the Los Angeles County Ocean Lifeguards, and the Los Angeles County Beach Lifeguards; (2) name identification on all of the vehicles identified in the Agreement; and (3) Toyota will be prominently featured on the District's Lifeguard Division website.

At the end of the two-year Agreement, the Fire Chief has the option to exercise two one-year extensions.

ENVIRONMENTAL DOCUMENTATION

The Agreement will not result in a direct or reasonable foreseeable impact on the environment in accordance with the State CEQA Guidelines as stated in Article 3, Section 15061.

CONTRACTING PROCESS

The Agreement is a Sponsorship Agreement. Ford was no longer interested in extending its vehicle sponsorship. The District received proposals from Toyota and Chevrolet regarding vehicle sponsorship. The Toyota proposal provided a greater number of vehicles, the least amount of beach marketing requirements, and no beach permitting or Lifeguard tower signage requirements. The Toyota proposal was also the only one to include equipment for outfitting the vehicles with the necessary safety equipment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

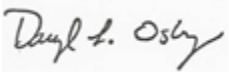
The new Toyota vehicles will allow the Lifeguards to provide exemplary service to the public, ensuring the continued safety of beachgoers throughout Los Angeles County.

CONCLUSION

Upon approval by your Board, please electronically submit a Statement of Proceedings to the following:

Consolidated Fire Protection District of Los Angeles County
Executive Office – Emergency Operations
Acting Chief Deputy David R. Richardson Jr.
David.Richardson@fire.lacounty.gov

Respectfully submitted,



DARYL L. OSBY
FIRE CHIEF, FORESTER & FIRE WARDEN

DLO:cw

Enclosures

c: Interim Chief Executive Officer
Acting Executive Officer, Board of Supervisors
Auditor-Controller
County Counsel
Department of Beaches and Harbors
Internal Services Department

SPONSORSHIP AGREEMENT

THIS AGREEMENT, made and entered into as of the last date of execution on the first day of June 2015, by and between the **CONSOLIDATED FIRE PROTECTION DISTRICT FOR LOS ANGELES COUNTY** hereinafter referred to as “**DISTRICT**”, on the one hand and **TOYOTA MOTOR SALES, U.S.A., INC.**, whose principal place of business is 19001 South Western Avenue, Torrance, California 90501 (“**TMS/USA**”) and **SOUTHERN CALIFORNIA TOYOTA DEALERS ASSOCIATION** a California corporation (“**SCTDA**”), on the other hand (hereinafter collectively referred to as “**Sponsor**.”

WITNESSETH:

WHEREAS, the District is authorized to enter into contracts necessary for the exercise of its powers under California Health and Safety Code Section 13861;

WHEREAS, TMS/USA is in the business of importing, marketing and/or distributing Toyota, Lexus and Scion brand motor vehicles; and

WHEREAS, SCTDA is in the business of promoting the sale of Toyota brand motor vehicles on behalf of Toyota Dealers located in Southern California; and

WHEREAS, DISTRICT desires to recognize Sponsor’s products and Sponsor as the “Official Truck/Vehicle” and the “Official Vehicle Sponsor” of the Los Angeles County Lifeguards, the Los Angeles County Ocean Lifeguards and the Los Angeles County Beach Lifeguards; and

WHEREAS, Sponsor desires to purchase the exclusive rights to advertise, sponsor events and promote its products as the “Official Truck/Vehicle” and the “Official Vehicle Sponsor” of the Los Angeles County Lifeguards, the Los Angeles County Ocean Lifeguards and the Los Angeles County Beach Lifeguards;

IT IS THEREFORE agreed by and between DISTRICT and Sponsor as follows:

1. **Definitions:** As used herein, the terms set forth below shall be defined as follows:
 - A. “**Agreement Year**” shall mean the 12-month period commencing on the date that this Agreement is executed by the Los Angeles County Board of Supervisors, which date shall become the effective date of this Agreement, and each following 12-month period thereafter throughout the term of this Agreement.
 - B. “**Business Day**” shall mean a day of the week falling on Monday, Tuesday, Wednesday, Thursday, or Friday.

- C. **“Chief Lifeguard”** shall mean the Chief Lifeguard of the County of Los Angeles Lifeguard Division of the Fire Department.
- D. **“Department”** shall mean the Los Angeles County Fire Department.
- E. **“Fire Chief”** shall mean the Chief of the Los Angeles County Fire Department.
- F. **“Lifeguard”** shall mean the Lifeguard Division of the County of Los Angeles Fire Department.
- G. Intentionally Omitted
- H. **“Logo”** shall mean a co-branded logo which may be developed by the parties to this Agreement and mutually agreed upon in writing by parties to this Agreement, but shall not include the official insignia of the County of Los Angeles.
- I. **“County of Los Angeles Beaches”** shall mean those beaches over which the Lifeguard Division of the County of Los Angeles Fire Department has jurisdictional or operational authority.
- J. **“Lifeguard Motor Vehicles”** or **“Vehicles”** shall mean the marketing category to which this Agreement shall apply.
- K. **“Name Identification Space”** shall mean that space designated on the Sixty-Five (65) Toyota vehicles hereinafter described to be acquired by DISTRICT.
- L. **“Premium(s)”** shall mean any promotional article(s) used for the purpose of increasing the sales of particular products, including those of Sponsor.
- M. **“Product(s)”** shall mean any motor vehicle model(s) that are produced by Sponsor.
- N. **“Trademark(s)”** shall mean any word(s), name(s), logo(s), symbol(s) or any combination thereof which, when used by a party to this Agreement, would distinguish the Product made or sold by it or services rendered by it from those goods made or sold or services rendered by others.
- O. **“Vehicles”** shall mean the Sixty-Five (65) Toyota vehicles described in Section 4 below as to which the rights of possession and use are being granted hereunder by Sponsor to County for use by the beach lifeguards and beach lifeguard operations.

2. **Grant of Sponsorship Rights**

Subject to the other terms of this Agreement and upon execution of this Agreement, DISTRICT shall grant to Sponsor the exclusive right within the category of “Lifeguard Motor Vehicles” to advertise on that property defined herein as the Vehicles as well as the ancillary rights listed below which are adjunctive but necessary incidents to the right to purchase advertising space on DISTRICT property.

- A. DISTRICT grants to Sponsor the right to generate publicity with respect to its status as the “Official Truck/Vehicle” and the “Official Vehicle Sponsor” of the Los Angeles County Lifeguards, the Los Angeles County Ocean Lifeguards and the Los Angeles County Beach Lifeguards via press materials and/or other forms of communication to be distributed to the media for non-editorial purposes (“Publicity”).
- B. DISTRICT grants Sponsor a license to use during the period of this Agreement, the Logo and its status as Sponsor under this Agreement in connection with the advertising and promotion of its products. Sponsor understands that the rights granted herein with respect to the Logo is limited to use in connection with promotion of its Products and do not extend to any other products, goods or services. Sponsor acknowledges that DISTRICT owns all right and title to the Logo, including any intellectual property rights to the Logo, and Sponsor use of the Logo is pursuant to and subject to the license grant provided herein.
- C. DISTRICT grants Sponsor an exclusive license, within the category of “Lifeguard Motor Vehicles” (car/trucks), to use the following Trademarks, which have been used and adopted by the DISTRICT:
 - “Official Truck/Vehicle of the Los Angeles County Lifeguards”
 - “Official Truck/Vehicle of the Los Angeles County Ocean Lifeguards”
 - “Official Truck/Vehicle of the Los Angeles County Beach Lifeguards”
 - “Official Vehicle Sponsor of the Los Angeles County Lifeguards”
 - “Official Vehicle Sponsor of the Los Angeles County Ocean Lifeguards”
 - “Official Vehicle Sponsor of the Los Angeles County Beach Lifeguards”
- D. The Logo and DISTRICT’s trademarks are and shall remain exclusively the property of DISTRICT. Sponsor shall not, directly or indirectly, at any time, and in any country, (a) register or attempt to register, in any manner, the Logo or DISTRICT’s Trademarks, or (b) challenge the validity of the Logo or DISTRICT’s Trademarks. Sponsor recognizes the DISTRICT’s exclusive ownership of the Logo and the DISTRICT’s Trademarks.
- E. DISTRICT grants Sponsor the exclusive right to be known as the “Official Truck/Vehicle” and the “Official Vehicle Sponsor” of the Los Angeles

County Lifeguards, the Los Angeles County Ocean Lifeguards and the Los Angeles County Beach Lifeguards within the “Lifeguard Motor Vehicles” category. The right to be so designated with regard to non-DISTRICT sponsored events is contingent on DISTRICT having the legal right to grant such an exclusive right. If DISTRICT can legally grant such exclusive right to Sponsor, it shall do so without any further consideration being paid by Sponsor. All product exclusivity for promotional activity is granted pursuant to normal policies, procedures and government regulations.

- F. DISTRICT grants Sponsor the right to display its Trademark on signage at the Sponsor’s Special Events, which display will be subject to all federal, state and local laws including all land use and environmental regulations. Sponsor must seek the prior to written approval of the Fire Chief, thirty (30) Business Days prior to the contemplated date of use, and the Sponsor must indicate the time, place, quantity, color, size, nature of material to be used as signs, proximity to other structures, and length of time such signage is to be displayed.
- G. DISTRICT will add a photo of Sponsor’s Lifeguard Vehicles to the Lifeguard Division page(s) of the Los Angeles County Fire Department website.

3. Sponsor Obligations

- A. Sponsor agrees that it will not cause or permit the Logos or Trademarks covered by this Agreement to be used or exploited in any manner contrary to public morals, or which violates prevailing standards of good taste, or reflects unfavorably upon the good name, good will, reputation and image, in whole or in part, of DISTRICT and/or Department.
- B. Sponsor agrees to submit to DISTRICT for prior written approval, which approval may be granted at the sole and absolute discretion of the Fire Chief, all advertising, promotional T.V. and radio commercials, or any other display materials to be used by Sponsor in connection with the Logos or Trademarks of DISTRICT. Such material shall be submitted not less than thirty (30) Business Days prior to its proposed release to the public.
- C. Sponsor agrees to submit for prior written approval to the DISTRICT, which approval may be granted at the sole and absolute discretion of the Fire Chief, the signage design, size, nature of material, and desired location on the Vehicles for Sponsor’s Name Identification Space.
- D. Sponsor agrees not to use any Premium in connection with the rights herein granted unless prior written approval of such use has been obtained

from DISTRICT, which approval may be granted at the sole and absolute discretion of the Fire Chief.

- E. Sponsor agrees not to manufacture any Premium using DISTRICT or Department Logos unless prior written approval of such use has been obtained from DISTRICT, which approval may be granted at the sole and absolute discretion of the Fire Chief,
- F. If Sponsor desires to sell or distribute for sale any Premium bearing the Logo(s) and/or Trademark(s) of DISTRICT, a separate licensing agreement shall be negotiated between Sponsor and DISTRICT.

4. Consideration

- A. Vehicles. During the Term of this Agreement, Sponsor will make available to the DISTRICT at least Forty-Five (45) Toyota Tacoma model trucks, Eighteen (18) Toyota Tundra Four-Wheel Drive Trucks, and Two (2) Sequoia Four-Wheel Drive Sport Utility Vehicles (collectively, “the Vehicles”) to be used solely by the DISTRICT in its lifeguard and lifeguard beach operations on the beach, pier, and associated beach facilities and as otherwise allowed under this Agreement. The Vehicles shall be selected solely by Sponsor. Both the Vehicles’ models and the numbers of each particular model may be changed at any time upon the mutual written consent of both Sponsor and DISTRICT. Provision of the Vehicles is subject to the following:
 - (i) Vehicle Use Agreement. The Sponsor shall not charge, and County shall not be obligated to pay, any fees for use of the Vehicles. The District agrees that only Department authorized employees will be allowed to operate the Vehicles, and that any such employee shall: possess a valid and current driver’s license issued in the United States; be at least 18 years of age; have successfully completed the Department’s Beach Driving Awareness and/or Beach Driving Operations training course; meets the Department’s physical fitness requirements for operating a vehicle; and will be subject to the Department’s Standards of Behavior and disciplinary process for any driving related infractions.
 - (ii) Vehicle Pick Up. Sponsor shall cause the Vehicles to be available for pickup by DISTRICT at a prearranged Toyota dealership on a date that is mutually agreed upon but in no event later than seven (7) Business Days from the date of execution of this Agreement. The Vehicles will be delivered only with the express written warranties specified in the applicable Owner’s Manual and any

express written warranties specified therein. New vehicle orientation will be provided at the prearranged Toyota dealership.

- (iii) Operating Costs. Except as otherwise provided in this Agreement, the DISTRICT shall be solely responsible for all operating costs associated with the use and maintenance of the Vehicles.
- (iv) License and Registration. The DISTRICT shall license and register each of the Vehicles and shall pay all required registration and license fees. Sponsor will cooperate with the DISTRICT by providing any requested documentation to assist the DISTRICT in filing required documentation with the California State Department of Motor Vehicles as necessary to obtain E-plates.
- (v) Branding. The DISTRICT shall co-brand the Vehicles with the Logo and an acknowledgment of the Vehicles as the “Official Truck of the Los Angeles County Lifeguards” and/or any of the designated names set forth in **Section 2.D** of this Agreement. Decals must be pre-approved by Sponsor, and Sponsor will be responsible for providing any agreed-upon Toyota decals. The DISTRICT shall provide photographs of each Vehicle to Sponsor once a Vehicle is decaled. The DISTRICT shall pay for decal production, installation, and removal.
- (vi) Service. The DISTRICT shall pay for the cost of regularly scheduled service for the Vehicles. Notwithstanding the foregoing, Sponsor will pay for all warranty repairs in accordance with the New Vehicle Limited Warranty as stated in the applicable owner’s manual. The DISTRICT shall submit invoices to Sponsor for reimbursement of such warranty repairs. The County shall pay for damage to the Vehicles beyond what is considered normal wear and tear, reasonable wear and tear based on operations in a beach environment excepted, such as body repairs or damage caused by misuse, neglect or incidents typically covered by automobile comprehensive or collision damage insurance policies, and/or arising from a breach of this Agreement.
- (vii) Maintenance. The DISTRICT will undertake, at its cost, all responsibilities of day-to-day maintenance required for the Vehicles so that each looks its best, including washing and vacuuming the Vehicles and detailing and steam cleaning the interior of the Vehicles as needed. The DISTRICT shall be responsible for the ordinary operating expenses associated with the Vehicles such as gas, oil, grease, tire repair and replacement and other incidentals.

- (viii) Safety Equipment/Modifications. Sponsor agrees that DISTRICT, in its discretion, may outfit vehicles with safety equipment, including but not limited to radios and light bars. However, DISTRICT shall not be responsible for any cost to repair vehicles modified to suit County Lifeguard needs and/or “wear and tear” on any vehicles described in this agreement. The DISTRICT is responsible for the installation and removal of all Vehicle accessories, such as radios and light bars, racks, additional roof accessories, and tinting of windows of the Vehicles, that were not in or attached to the Vehicles at delivery (collectively, “Accessories”). All such installations must be removed prior to return of the Vehicles, all of the foregoing at the DISTRICT’s sole cost. All such installations must (a) be in compliance with all applicable laws, rules and regulations, (b) not in any way impact, cover and/or otherwise impair the ability to view warnings affixed to the Vehicle (e.g., the warnings regarding the airbag system on the visor), or (c) not impact the safety or operational features of the Vehicle (i.e., not adversely impact visibility while operating the Vehicle, not impact in any way the compliance of the Vehicle with the Motor Vehicle Safety Act or other applicable Federal motor vehicle safety standards). The DISTRICT shall be solely responsible and liable for any Claims arising from installation of such Accessories.
- (ix) Use Agreement Extension. If the parties agree to extend this Agreement as outlined in Section 6 below, Sponsor will replace said Vehicles every two (2) years for the term of the Agreement. The replacement Vehicles shall be delivered within sixty (60) days after the commencement of the third year, if Sponsor chooses to extend this Agreement according to the provisions set forth in Section 6 below. In exchange, County shall deliver to Sponsor, forty-five (45) days after receipt of the replacement Vehicles, to the designated Toyota dealer locations all Vehicles then currently in use during the previous two (2) years and not purchased by County.
- (x) Service Agreements. For all Vehicles purchased by DISTRICT, Sponsor will offer to DISTRICT the right to purchase “Extended Service Contracts” routinely available for such vehicles through authorized Toyota dealers.
- (xi) Vehicle Return. At the end of the term of this Agreement, DISTRICT will return the Vehicles in the same condition as delivered, reasonable wear and tear based on operations in a beach environment excepted, to the designated Toyota dealer locations within forty-five (45) days after the termination of the Agreement.

B. Vehicle Build Out Equipment

Upon execution of the agreement, Sponsor will provide the District with a one-time issue of the following necessary safety and lifeguard-related equipment for use as contemplated herein:

T-RAC #37004	(45 units)
T-RAC #37002	(6 units)
Coaxial Cabling	(130 units)
“Blue” and “White” Antennae	(65 each)
AVL Antennae	(20 units)
Forward Alarm ECCO-BU-92	(65 units)
Rear Alarm ECCO-ECU-510	(65 units)
Forward Camera System-	
Rear View Safety	(65 units)
Lighting Package	
Lightbar, siren, speaker	(65 units)

The value of this equipment shall be not less than two-hundred thousand dollars (\$200,000), and the equipment shall become the property of the District upon delivery. The DISTRICT, at its sole discretion, reserves the right to substitute the type or quantity of safety and lifeguard-related equipment, so long as the cost of said equipment does not exceed \$200,000.

5. Buy Out Option

- A. At the termination of this Agreement, and at the termination of this Agreement’s optional extension periods (if exercised), DISTRICT shall have the option to purchase any or all of the Vehicles due to be returned to Sponsor as outlined in Section 4 at prices to be provided by Sponsor and/or TMCC at lease inception, but in no event later than at least one hundred and eighty (180) days prior to the termination of this Agreement and any optional extension periods.
- B. If DISTRICT elects to exercise such buy out options, it must notify Sponsor in writing at least thirty (30) days prior to the termination of this Agreement, and thirty (30) days prior to the termination of this Agreement’s optional extension periods, if exercised.

6. Term: Optional Extension Period

- A. Term. This Agreement shall be deemed to commence on June 1, 2015 and shall terminate on May 31, 2017.

- B. Optional Extension Period. Sponsor shall have the right to extend this Agreement for an additional two (2) year term commencing on June 1, 2017 and continuing until May 31, 2019 on the same terms and conditions specified in this Agreement provided that Sponsor must inform Fire Chief in writing at least one hundred and eighty (180) days prior to the termination of this Agreement of its intent to extend this Agreement.

7. Operation Expansion or Reduction

Sponsor and DISTRICT agree that in the event that DISTRICT's jurisdictional or operational authority of DISTRICT Beaches is substantially expanded or reduced, thereby affecting the extent of Sponsor's ability to advertise its Product, both parties will in good faith promptly renegotiate this Agreement to take into account the increase or decrease in the size of operation. In renegotiation of the Agreement, the parties shall attempt to reasonably adjust the number of Vehicles to reflect the increase or decrease in the square mileage of beach areas remaining under DISTRICT's jurisdiction or operational authority and portion of the Agreement Year affected.

If the reduction of DISTRICT's control exceeds fifty (50%) percent of the area of DISTRICT Beaches under its control as of the effective date of this Agreement, Sponsor may terminate this Agreement upon ninety (90) day written notice to DISTRICT and without incurring any further liability to DISTRICT beyond the liability incurred up to and including the ninetieth (90th) day of said ninety (90) day notice period.

8. Indemnification

- A. Sponsor agrees to defend, indemnify and hold harmless DISTRICT, the County of Los Angeles, the Board of Supervisors, the Fire Department, and its officials, agents, employees, successors, and assigns from and against any and all claims, demands, obligations, causes of action and lawsuits and all damages, liabilities, fines, judgments, costs (including, without limitation, settlement costs), and expenses associated therewith (including, without limitation, the payment of reasonable attorney fees and disbursements), arising out of, related to or resulting from Sponsor's marketing and promotion of its designation and/or status as "Official Truck/Vehicle" and the "Official Vehicle Sponsor" of the Los Angeles County Lifeguards, the Los Angeles County Ocean Lifeguards and the Los Angeles County Beach Lifeguards (or other such designation as allowed in Section 2), including but not limited to Sponsor's activities in connection with Sponsor's Special Events, Premium distributions, wrongful use of Logo and Trademark(s), and all advertisement, promotional and display material, as well as Sponsor's rights granted in Sections 2 and 3 above. Sponsor's indemnification shall extend to any claim of false or deceptive advertising and to the failure of Sponsor or

those acting under it, to comply with the terms and conditions of this Agreement. DISTRICT shall be reimbursed by Sponsor for all costs and attorneys' fees incurred by DISTRICT in enforcing this obligation. Sponsor will conduct all defense at its sole cost and expense and the DISTRICT shall approve selection of Sponsor's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by Sponsor. All new vehicle warranties shall remain in effect and Sponsor shall indemnify DISTRICT for all damages arising from defect in the Vehicles as manufactured. Sponsor shall defend, indemnify and hold harmless the DISTRICT, as well as its respective Board of Supervisors, the Fire Department, and its officials, agents, employees, successors, and assigns against all liability for illegal competition or trade practices, common-law and/or statutory, which are based on the rights granted by DISTRICT pursuant to the terms of this Agreement.

- B. DISTRICT agrees to defend, indemnify and hold harmless the Sponsor, its divisions and subsidiaries and their respective officers, agents and employees, successors, and assigns from and against any and all claims, demands, obligations, causes of action and lawsuits and all damages, liabilities, fines, judgments, costs (including, without limitation, settlement costs), and expenses associated therewith (including, without limitation, the payment of reasonable attorney fees and disbursements), arising out of DISTRICT's own use or possession of the Vehicles; the services performed or actions taken by DISTRICT, or those acting under it, in connection with this Agreement, including DISTRICT's use of the Vehicles in connection with the operation and management of any event or activity, including but not limited to any claims for damage, injury, liability, cost and/or death (including without limitation, attorneys' fees and costs and other Claims) that may occur while driver is operating and/or as a result of such driver operating the Vehicle; DISTRICT's wrongful use of Logo and Trademark(s) and, the failure of DISTRICT, or those acting under it, to comply with the terms and conditions of this Agreement.

DISTRICT will conduct all defense at its sole cost and expense and the Sponsor shall approve selection of DISTRICT's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by DISTRICT.

9. Insurance

The DISTRICT shall provide and maintain throughout the term of this agreement the following insurance coverages:

The DISTRICT is self-insured and will provide Sponsor with a letter agreeing to provide full insurance coverage for all the Vehicles and any replacement Vehicles during the term of this Agreement in the amounts listed as follows:

Bodily Injury Liability	\$1,000,000 per occurrence
Property Damage liability	\$ 500,000 per occurrence
Medical Payments	\$ 2,000 per occurrence
Uninsured Motorists	\$ 15,000 per occurrence
	\$ 30,000 per occurrence
Comprehensive Collision	Value of Vehicles

The above will be satisfied by issuance of a Certificate of Self-Insurance for one million dollars (\$1,000,000) combined single limit coverage.

Sponsor may terminate this Agreement effective immediately upon written notice to DISTRICT. In the event DISTRICT fails to provide or maintain the insurance stated immediately above.

10. Sponsor's Marks

The DISTRICT shall obtain written approval from Sponsor prior to use of any Sponsor logos, service marks, trade names or trademarks owned by Sponsor and/or its affiliates (collectively, the “**Sponsor Marks**”) by the DISTRICT or any of its respective agents, representatives, employees or contractors, except as otherwise specifically required in this Agreement. If Sponsor grants its approval for the DISTRICT to use the Sponsor Marks pursuant to this Agreement, the Sponsor Marks shall be used only in the exact form, style and type expressly allowed by Sponsor. The Sponsor Marks are and shall remain exclusively the property of Sponsor (and/or its designated affiliates). The DISTRICT shall not, directly or indirectly, during the Term hereof or at any time thereafter, in any country (a) register or attempt to register, in any manner, any of the Sponsor Marks or (b) challenge the validity of any of the Sponsor Marks. The DISTRICT recognizes Sponsor’ exclusive ownership of the Sponsor Marks. The DISTRICT shall not use the Sponsor Marks in any way which would tend to aid any competitor of Sponsor, or in any other manner that would bring the same (or its products) into public disrepute, contempt, scorn or ridicule or tend to shock, insult or offend the community, public morals or decency. The DISTRICT shall not use the Sponsor Marks to incur any obligation or indebtedness on behalf of Sponsor, or to hold itself out as being or representing Sponsor or any of its affiliates. The obligations of the DISTRICT under this paragraph will survive expiration or termination of this Agreement.

11. Default; Remedies

- A. The following events shall constitute an Event of Default (“Event of Default”) under this Agreement regardless of whether any such event shall

be voluntary or involuntary or shall result from the operation of applicable laws, rules or regulations or shall be pursuant to or in compliance with any judgment, decree or order of any court of competent jurisdiction:

- (1) DISTRICT shall fail to cause to be carried and maintained the insurance required under **Section 9** hereof;
- (2) Either party shall make any material misrepresentation or shall breach any warranty made herein;
- (3) Either party shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or similar law, or shall make a general assignment for the benefit of creditors, or shall have an involuntary case or other proceeding instituted against it seeking similar relief;
- (4) Either party shall otherwise fail to perform or observe any other covenant or condition set forth herein and such failure shall continue unremedied for a period of thirty (30) days after the receipt of written notice thereof from the nondefaulting party; or
- (5) Either party should commit an act, which brings its name into disrepute, or otherwise substantially diminishes the value of the Sponsorship association for the other party.

- B. Upon the occurrence of an Event of Default, and at any time thereafter so long as the same shall be continuing, the nondefaulting party may declare, at its option, this Agreement to be in default and: (1) may immediately terminate this Agreement without any liability whatsoever; (2) may seek enforcement by appropriate court action of the terms hereof and recover damages for the breach hereof; (3) may exercise any other right or remedy available to it under law or in equity; or (4) may seek any permitted combination of such remedies. No remedy is intended to be exclusive, but each shall be cumulative and the exercise of any such remedy shall not preclude the simultaneous or later exercise of any other remedy.

12. Waiver

Failure or inability of either party to enforce any right hereunder shall not waive or modify any right to enforce said right in the future.

13. Notices

All notices and statements to be given hereunder shall be given at the respective addresses of the parties as set forth below, unless notification of a change of address is given in writing. Any notice shall be sent by registered or certified mail or by a nationally recognized courier service and shall be effective upon receipt.

Sponsor shall maintain an address within California as the address to which such notice shall be given. Sponsor shall designate an agent with a California address to accept service of process. The addresses for notice and agents for service of process are:

DISTRICT	Los Angeles County Fire Department 1320 North Eastern Avenue Los Angeles, CA 90063-3294 Attn: Daryl L. Osby
TMS/USA	Toyota Motor Sales, U.S.A., Inc. Los Angeles Region 2 Banting Irvine, CA 92618 Attn: Regional Marketing Manager
SCTDA	Southern California Toyota Dealers Association c/o DavisElen Advertising 865 S. Figueroa Street Los Angeles, CA 90017 Attn: Jennifer Lin, Vice President Phone: (213) 688-7014 Fax: (213) 688-7009

Agent for Service of Process:

CT Corporation System
818 West Seventh Street
Los Angeles, CA 90017

14. Assignment

Neither party shall not have the right to assign or delegate any of its rights or obligations hereunder to an unrelated third party without the prior written consent of the other party.

15. Compliance with Law, Rules and Regulations

Both parties shall comply with all applicable federal and state laws and regulations, as well as all municipal and county ordinances, rules and regulations, including but not limited to those relating to the Department.

16. Severability of Provisions

Should any individual provision of this Agreement be declared void, the validity of the remainder of this Agreement will not be affected and will remain in full force and effect.

17. Independence

The parties shall at all times act independently. Nothing contained in this Agreement shall be construed to make one party the partner, joint venture, principal, agent, or employee of the other party hereto. Specifically, DISTRICT shall have no express or implied authority to act for or on behalf of Sponsor. Further, no officer, Fire Chief, employee, agent, affiliate or contractor retained by DISTRICT to perform work on Sponsor's behalf hereunder shall be deemed to be an employee, agent or contractor of Sponsor. DISTRICT is solely responsible for payment of (1) all income, disability, withholding, and other employment taxes as well as (2) all medical benefit premiums, vacation pay, sick pay or other fringe benefits resulting from DISTRICT's retention of any such officers, Fire Chiefs, employees, agents, affiliates or contractors. DISTRICT shall indemnify, defend, and hold harmless Sponsor from any claim for any such tax or benefit payment.

18. Governing Law

This Agreement will be governed by and construed and interpreted in accordance with the law of the State of California.

19. Termination for Improper Consideration

DISTRICT may, by written notice to Sponsor, immediately terminate the right of Sponsor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Sponsor, either directly or through an intermediary, to any DISTRICT officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment for extension of the Agreement or the making of any determinations with respect to the Sponsor's performance pursuant to the Agreement. In the event of such termination, DISTRICT shall be entitled to pursue the same remedies against Sponsor as it could pursue in the event of default by Sponsor.

Sponsor shall immediately report any attempt by a DISTRICT officer or employee to solicit such improper consideration. The report shall be made either to the Department Head charged with the supervision of the employee.

Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

20. Termination with or without Cause

Sponsor shall have the right to terminate this Agreement in whole or in part, with cause, upon thirty (30) days prior written notice to DISTRICT or without cause, upon one hundred eighty (180) days prior written notice to DISTRICT. Upon receipt of any termination notice, DISTRICT shall discontinue services on the date stated and to the extent specified in the notice.

Upon termination of this Agreement, or upon request of Sponsor, DISTRICT will surrender to Sponsor all Vehicles, which are then in DISTRICT's possession, within one hundred and twenty (120) days, and all memoranda, notes, records, drawings, manuals, software, and all other materials which are the property of Sponsor or which contain information which is proprietary to Sponsor. DISTRICT will not retain any copies of any Confidential Information of Sponsor.

21. Obligations Survive Agreement Term

The indemnities and assumptions of risks, liabilities and obligations by the parties arising under his Agreement during its term shall continue in effect after the termination of the Agreement, regardless of the reason for termination.

22. Amendment of Agreement

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties. Only nonmaterial Amendments to the Agreement which do not materially change the scope of the Agreement increase the DISTRICT's financial responsibility or impose additional liability on the DISTRICT, may be executed without approval of the Board of Supervisors and all must be in writing and shall not be effective unless and until executed by Sponsor and the DISTRICT.

23. Entire Agreement

This Agreement contains the entire understanding between the parties relating to the subject matter herein contained.

IN WITNESS WHEREOF Sponsor has executed this Agreement, or caused it to be duly executed, and DISTRICT, pursuant to authority delegated by order of its Governing Body, the Board of Supervisors, has caused this Agreement to be executed on its behalf by the Fire Chief.

TOYOTA MOTOR SALES, U.S.A., INC.

CONSOLIDATED FIRE PROTECTION
DISTRICT FOR LOS ANGELES COUNTY,

By:_____

Alec Hagey
Vice President and General Manager
Los Angeles Region

Daryl L. Osby
Los Angeles County Fire Chief

DAVIS ELEN ADVERTISING as agent for
the SOUTHERN CALIFORNIA TOYOTA
DEALERS ASSOCIATION

By:_____

Jennifer Lin
Vice President

APPROVED AS TO FORM:

MARK J. SALADINO
County Counsel

By_____

Principal Deputy County Counsel